

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |                 |
|--|---|-----------------|
| THE APPLICATION OF REIDLAND WATER-SEWER  | ) |                 |
| DISTRICT FOR A CERTIFICATE OF PUBLIC     | ) |                 |
| CONVENIENCE AND NECESSITY TO CONSTRUCT,  | ) | CASE NO. 92-241 |
| FINANCE AND INCREASE RATES PURSUANT TO   | ) |                 |
| THE PROVISIONS OF SECTION 278.023 OF THE | ) |                 |
| KENTUCKY REVISED STATUTES                | ) |                 |

O R D E R

On June 10, 1992, the Commission received a construction, financing and rate application from Reidland Water and Sewer District, Sewer Division ("Reidland"). The application was filed pursuant to KRS 278.023 which applies to projects financed by two federal agencies, Farmers Home Administration ("FmHA") and Housing and Urban Development ("HUD"); however, the financing secured by Reidland includes funds derived from the Federally Assisted Wastewater Revolving Fund administered by the Kentucky Infrastructure Authority ("KIA"). Since Reidland's filing did not involve FmHA or HUD funds, Reidland's filing was rejected. On June 19, 1992 and June 22, 1992, Reidland made supplemental filings to cure filing deficiencies related to its application. Reidland requests deviations from 807 KAR 5:001, Section 6(9), 807 KAR 5:011, Section 8(3)(a)-(c), and 807 KAR 5:071, Section 3(1)(a).

807 KAR 5:001, Section 6(9), requires the submission of a detailed income statement and balance sheet for the period ending

not more than 90 days prior to the date of the application. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information filed therein is sufficient to enable the Commission to adequately review Reidland's filing. Therefore, its request for a deviation from the above-cited regulation should be granted.

807 KAR 5:011, Section 8(3)(a)-(c), requires language to be included in each public notice regarding intervention by interested parties. Reidland has published notice of this project three times beginning April 15, 1992 and no inquiries or requests for intervention have been received by Reidland or the Commission. Inasmuch as this project relates to sewer improvements, Reidland is required to provide notice to its customers by direct mail pursuant to KRS 278.185. Reidland has fully complied with all statutory notice requirements, but seeks a deviation to omit the language regarding intervention required by regulation. Having reviewed Reidland's request, the record and being otherwise sufficiently advised, the Commission finds that Reidland's requested deviation from 807 KAR 5:011, Section 8(3)(a)-(c), should be granted.

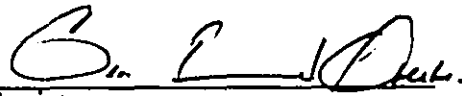
807 KAR 5:071, Section 3(1)(a), requires sewer utilities to provide copies of third party beneficiary agreements or other evidences of financial integrity sufficient to ensure continued operations. Reidland is a water and sewer district created and operated under authority of KRS Chapter 74 and, as a political subdivision, its continued operations are virtually assured. Thus, after consideration of Reidland's status as a political

subdivision, the record and being otherwise sufficiently advised, the Commission finds Reidland's request to deviate from 807 KAR 5:071, Section 3(1)(a), should be granted.


IT IS THEREFORE ORDERED that Reidland's requests to deviate from the requirements of 807 KAR 5:001, Section 6(9), 807 KAR 5:011, Section 8(3)(a)-(c), and 807 KAR 5:071, Section 3(1)(a), be and hereby are granted.

Done at Frankfort, Kentucky, this 24th day of June, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director, Acting